

POWERINE Oil Company

12354 Lakeland Road, P.O. Box 2108
Santa Fe Springs, California 90670

(213) 944-9861
(213) 944-6111



SFUND RECORDS CTR
2216562

TLX No: 4720404
A/B Powerine
Telecopy No: 944-8522

June 17, 1988

Lisa Anne Haage
Assistant Regional Counsel
U.S. EPA
Region IX
215 Fremont Street
San Francisco, CA 94105

RE: Operating Industries, Inc.
Monterey Park, California

Dear Ms. Haage:

Powerine is herein providing a partial response to your letter of April 14, 1988 regarding the Operating Industries, Inc. (OII) site.

Powerine still contends that its arguments that EPA is barred by the bankruptcy from making a claim for cleanup contribution at OII is correct and hereby reserve all rights to make these arguments in the future. However, as a demonstration of our good faith we will voluntarily be responding herein to the requests for information contained in the April 4, 1988 letter.

Per EPA's request for information, Powerine provides the following:

1. Exhibit "A" attached hereto contains a list of insurance policies in effect during the 1977 to 1982 period. The list contains the insurer's name, policy number and period of effect. Policy limits are not included because some policies state that disclosure of these data will void the policy. Therefore, we ask that you request that information directly from insurance carriers.
2. Exhibit "B" contains a set of financial statements as of the end of the 1987 financial year. These are unaudited because audited 1987 statements are unavailable at this time. Statements for 1986 would reflect the bankruptcy and not be appropriate to the current Powerine.
3. After a search of the files available to the current Powerine, the attachments to the 1986 submittal, specifically items (a) description of drilling mud waste ("Sheet I"); (b) "Sheet II," analysis of produced water; and (d) "Sheet III," MSDS for Chevron 350-B solvent, cannot be found. We will make an attempt to obtain these data from

POWERINE Oil Company

U.S. EPA
June 17, 1988
Page 2

Parcel "A" files and from Chevron. The location of Parcel "A" files is unknown because this was a joint project and the files are not in our possession.

Item (c) Waste Disposal Summary; is contained in Exhibit "C."

4. Sour water is any refinery waste water stream containing hydrogen sulfide and ammonia. The treatment involves removal of hydrogen sulfide and ammonia from the sour water streams by steam stripping.

The combined sour water flows into a sour water feed vessel to remove dissolved gases and separate liquid hydrocarbons. The vented gases are directed to incineration while the liquid hydrocarbons are decanted and transferred to crude oil storage for reprocessing.

The sour water is pumped through heat exchange into a Sour Water Stripper Tower. The Stripper Tower reboils the sour water indirectly or directly with steam. That steam which is injected or generated internally by the reboiler rises countercurrent to the downward flowing sour water and strips the hydrogen sulfide and ammonia from the liquid. The sour acid gas is directed to the Sulfur Recovery Unit. The treated water is split into process streams (coker, desalter) or discharged into holding tanks for final analysis and treatment prior to discharges to industrial waste sewer system.

Chemicals used in treatment are:

Hydrogen Peroxide (30-52% peroxide)
Sulfuric Acid (98%)
Sodium Hydroxide (50%)
Polyquaternary Amine (to flocculate oil for removal)

The "sweetened" water produced by processing is a wastewater stream with the general characteristics as follows:

pH - - - - - 6 to 9
Oil & Grease - - - 75 mg/l max.
Ammonia - - - - - 100 mg/l max.
Sulfide - - - - - 0.1 mg/l max.
Mercaptans + - - - 2 mg/l max.

Likewise, any vapor space above the water cannot exceed 20% LEL (lower explosive limit).

POWERINE Oil Company

U.S. EPA
June 17, 1988
Page 3

Chemical analysis of feed streams are not available since the compositions change daily depending on type of crude oil being processed and plant processing configuration. In general, the combined feed stream is water with one to six molecular percent each of hydrogen sulfide and ammonia.

5. Tank 19 in 1977 was a sour water feed surge tank. Sour water was accumulated in this tank and discharged in a relatively constant flow for stripping. The materials referred to in the manifest appear to be "tank bottoms," i.e. accumulated solids or sediment most likely resulting from equipment corrosion or erosion and removed during maintenance turnaround as clean out. Toxic constituents may have been minute quantities of dissolved hydrogen sulfide and ammonia in the water remaining with the solids after tank was drained.
6. Powerine did not utilize a dissolved air flotation unit during the periods in question.
7. It is not known who selected the OII landfill as a disposal site for wastes generated by Powerine during the periods in question. Nor is it known what the policies and procedures were at the time for selecting a disposal site.
8. The update on the Chapter 11 Petition by Powerine Oil Company are contained in:
 1. Exhibit "D" First Amended Disclosure Statement filed with the Court on October 26, 1984.
 2. Exhibit "F", Motions for Order Authorizing Debtor to Consummate Purchase Agreement filed with the Court August 1, 1983.
 3. Order Granting Motion to Consummate the Purchase Agreement with Sargent Holdings Limited filed with Court August 26, 1986.
9. a) Walter Ziemba
Senior Environmental Engineer (Present title) Responsible for Air Quality and Water Programs
Coordinator Environmental Affairs (Past title) Responsible for all Environmental Operations

b) Henry Del Castillo
Vice President of Finance (Present and past title)
Responsible for all Financial Operations

POWERINE Oil Company

U.S. EPA
June 17, 1988
Page 4

No other individuals were interviewed.


10. Two former employees that may have knowledge of the refinery during the period in question are:

1. Mr. Wesily Oldaker
Purchasing Agent
Last known address and phone number
Ex. 6 Personal Privacy
[REDACTED]
2. Harold Wylie
Refinery Manager
Last known address:
Ex. 6 Personal Privacy
[REDACTED]
Phone number unknown

Attached is an affidavit pertaining to the gathering of the information regarding this matter.

If you have any questions on this matter, please contact me.

Sincerely,



Don H. Baker III
Coordinator - Environmental
Affairs


DHB:aj

cc: A. L. Gualtieri
W. J. Ziemba
Steve Jones
John Cermak

DECLARATION OF DON BAKER

I Don Baker, declare under penalty of perjury that a record search and interviewing with present and former employees has been completed. Furthermore, to the best of my knowledge all information responsive to EPA's request of April 14, 1988 that is available to Powerine has been sent herein to EPA.

Executed this first day of July, 1988.



Don H. Baker III
Coordinator -
Environmental Affairs

State of California
County of Los Angeles } ss.

On this the 1st day of July, 1988, before me,

Shirley J. Johnson

the undersigned Notary Public, personally appeared

Don H. Baker III

☒ personally known to me

☐ proved to me on the basis of satisfactory evidence

to be the person(s) who executed the within instrument as Coordinator
Environmental Affairs or on behalf of the corporation therein
named, and acknowledged to me that the corporation executed it.

WITNESS my hand and official seal.



Shirley J. Johnson
Notary's Signature

EXHIBIT "A"

1/24/75-10/8/77	Insurance Company of State of Pennsylvania	4275-1336	Bayly, Martin & Fay, Inc
1/24/75-10/8/77	Midland Insurance Company	XL 146555	Bayly, Martin & Fay, Inc
10/8/75-10/8/78	Aetna Insurance Company	CG 60 85 78	Bayly, Martin & Fay, Inc
10/8/75-10/8/76	Central National Ins. Co. of Omaha	CNU 12-30-08	Bayly, Martin & Fay, Inc
10/8/76-10/8/77	Central National Ins. Co. of Omaha	CNU 12-56-25	Bayly, Martin & Fay, Inc
10/8/76-10/8/77	Underwriters at Lloyds, London	12732	Bayly, Martin & Fay, Inc
10/8/77-10/8/78	Northbrook Insurance Company	63 003 675	Bayly, Martin & Fay, Inc
10/8/77-10/8/78	International Surplus Lines Insurance Co.	XSI 3554	Bayly, Martin & Fay, Inc
10/8/77-10/8/78	Central National Ins. Co. of Omaha	CNU12-79-39	Bayly, Martin & Fay, Inc
10/8/77-10/8/78	Central National Ins. Co. of Omaha	CNS9-47-57	Bayly, Martin & Fay, Inc
10/8/77-10/8/78	First State Insurance Company	914277	Bayly, Martin & Fay, Inc
10/8/77-10/8/78	National Union Fire Ins. Co. of Pittsburgh	1228241	Bayly, Martin & Fay, Inc
10/8/77-10/8/78	Lexington Insurance Company	GC 550 28 96	Bayly, Martin & Fay, Inc
10/8/77-10/8/78	Federal Insurance Company	7932-71-06	Bayly, Martin & Fay, Inc
10/8/78-10/8/79	Central National Ins. Co. of Omaha	CNS9-44-63	Bayly, Martin & Fay, Inc
10/20/78-10/8/79	Northbrook Insurance Company	63 005 104	Bayly, Martin & Fay, Inc
10/8/78-10/8/79	Interstate Fire & Casualty Company	155-U 025585	Bayly, Martin & Fay, Inc
10/8/78-10/8/79	International Surplus Lines Ins. Co.	XSI3607	Bayly, Martin & Fay, Inc
10/8/78-10/8/79	Federal Insurance Company	(79)7932-71-06	Bayly, Martin & Fay, Inc
10/8/78-10/8/79	New England Reinsurance Corporation	781060	Bayly, Martin & Fay, Inc
10/8/78-10/8/79	Lexington Insurance Company	5513542	Bayly, Martin & Fay, Inc
10/8/78-10/8/79	Central National Ins. Co. of Omaha	CNU03-31-78	Bayly, Martin & Fay, Inc
10/8/79-10/8/80	Central National Ins. Co. of Omaha	CNS9-45-93	Bayly, Martin & Fay, Inc
10/8/79-10/8/80	Central National Ins. Co. of Omaha	CNU03-49-44	Bayly, Martin & Fay, Inc
10/8/79-10/8/80	Central National Ins. Co. of Omaha	CNZ14-16-35	Bayly, Martin & Fay, Inc
10/8/80-10/8/81	Central National Ins. Co. of Omaha	CNS9-48-84	Bayly, Martin & Fay, Inc
10/8/80-10/8/81	Central National Ins. Co. of Omaha	CNU00-40-80	Bayly, Martin & Fay, Inc
10/8/80-10/8/81	Central National Ins. Co. of Omaha	CNZ14-20-56	Bayly, Martin & Fay, Inc
10/8/81-2/8/83	Central National Ins. Co. of Omaha	CNS13-29-57	Bayly, Martin & Fay, Inc
10/8/81-2/8/83	Central National Ins. Co. of Omaha	CNU00-81-61	Bayly, Martin & Fay, Inc
10/8/81-2/8/83	Central National Ins. Co. of Omaha	CNZ00-60-84	Bayly, Martin & Fay, Inc